



ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS ADMINISTRATION

ASSESSMENT OF STRATEGIC MANAGEMENT PRACTICES
AND CHALLENGES IN THE CASE OF AWASH WINE SHARE
COMPANY: ADDIS ABABA, ETHIOPIA

By
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ADDIS ABABA, ETHIOPIA
MARCH, 2023



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ADDIS ABABA, ETHIOPIA**

**ATHESIS SUBMITTED TO ST. MARRY'S UNIVERSITY, SCHOOL OF
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OF BUSINESS ADMINISTRATION**

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Declaration

I, Rahimet Mohammed, the under signed, declare that this thesis entitled: “assessment of strategic management practices and challenges: the case of awash wine share company, Addis Ababa, Ethiopia.” is my original work. I have undertaken the research work independently with the guidance and support of the research supervisor. This study has not been submitted for any degree or diploma program in this or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

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Name of student	Signature	Date

This is to certify that the thesis entitled: assessment of strategic management practices and challenges: the case of awash wine share company, Addis Ababa, Ethiopia. Submitted in partial fulfilment of the requirements for the degree of Masters of business administration of the Postgraduate Studies, Admass University and is a record of original research carried out by [Rahimet Mohammed] [SGS/0020/2013A], under my supervision, and no part of the thesis has been submitted for any other degree or diploma. The assistance and help received during the course of this investigation have been duly acknowledged. Therefore, I recommend it to be accepted as fulfilling the thesis requirements.

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Name of advisor	Signature	Date

Certificate of Approval

This is to certify that the thesis prepared by Rahimet Mohammed, entitled “assessment of strategic management practices and challenges: the case of awash wine share company, Addis Ababa, Ethiopia.” and submitted in partial fulfilment of the requirements for the Degree of Masters of Arts in MBA complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Signature of Board of Examiner`s:

External examiner	Signature	Date
Internal examiner	Signature	Date
Dean, SGS	Signature	Date

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ACRONYMS

CSR	Corporate Social Responsibility
HSE	Health, Safety and Environment
PESTL	Political, Economic, Social, Technological, Legal
RBV	Resource Based View
SM	Strategic management
S.C	Share Company
SWOT	Strength, weakness, opportunity, threat
TGF	Theory of the Growth of the Firm

ABSTRACT

The study aimed at assessing the strategic management practices and challenges of AWASH WINE S.C. Pertinent data was collected from directors, head of departments, and line managers of AWASH WINE S.C. by distributing questionnaires which was used to measure their agreement and disagreement on study variables. Census method was used to allow all target participants to take part in the study. The study employed descriptive research design and mixed research approach. Statistical package for social science (SPSS) software was used to process the data collected from questionnaire and analysed using descriptive statistics. The results from descriptive statistics showed that strategy formulation and environmental scanning were the two practices the company well dealt with. On the contrary, the organization was found to have weaknesses in relation to strategy implementation, and strategy monitoring and evaluation. The study also identified the major challenges associated with each strategic management practices and lack of proper knowledge and skills and incompatibility of the strategy with on ground situations mentioned as challenges for strategy formulation, challenges such as key personnel leaving the organization, misunderstanding of overall goals by employees, lack of proper knowledge and skills, lack of motivation for those which achieved the strategic plan identified major challenges associated with strategic implementation. Finally, challenges associated with strategy monitoring and evaluation were absence of effective monitoring, lack of timely feedback, lack of proper knowledge and skills, and false reports on progress. Thus, the study concluded that case organization focuses more on the strategy formulation while giving less emphasis to strategy implementation, evaluation and control. The study finally recommended the need for the company to give due attention for strategic implementation in terms of human resource capability and board support and on strategy evaluation and control with regard to performance measurement, communication and timely responsiveness to noted gaps.

Key words: *Strategic Management, Strategy formulation, Strategy Implementation, Strategy Evaluation*

CHAPTER ONE

1. INTRODUCTION

This chapter is about introduction to the study and discusses background of the study, background of the organization, statement of the problem, objectives of the study, the scope and limitations of the study, significance of the study, definition of key terms and organization of the study.

1.1. Background of the Study

Strategic management is the art and science of formulating, implementing and evaluating cross functional decisions that enable an organization to achieve its objectives. Strategic management is exciting and challenging it makes fundamental decisions about the future directions of a firm its purpose, its resources, and how it interacts with the environment in which it operates (David, 2011).

In many businesses around the world, the fundamental nature of competition is shifting. This shift is happening at a breakneck speed, and it's just going to get faster. Determining an industry's limits has become difficult. (Ireland, Hitt, Hokisson, 2007). There is a need in modern times for strategies to achieve agreed goals and objectives, giving a sense of purpose and direction to the organization because of recent technological and social changes and competition from rival organizations (Ritson, 2011). Organizations can quickly lose their sense of mission and direction in today's volatile, globalized, and rapidly changing business world. Strategic management is a tool for directing the course of an organization's destiny. Globalization, rapid technological progress, increased competition, a shifting workforce, changing market and economic situations, and emerging resource limitations are all factors that add to the complexity of modern management (Alkahafaji 2003).

The tasks of crafting, implementing, and executing company strategies are the heart and soul of managing a business enterprise (Thomson & Strickland, 2003). According to (Wheelen and Hunger 2008, Alkahafaji 2003) strategic management have consists of four elements: environmental scanning, strategy formulation, strategy implementation, and strategy evaluation and Control.

Environmental Scanning is the monitoring, evaluating and disseminating of information from the external and internal environment to key people within the corporation (Wheelen and Hunger, 2010). Strategy formulation includes developing a vision and mission, identifying an organization's external opportunities and threats, determining internal strengths and weaknesses, establishing long term objectives, generating alternative strategies, and choosing particular strategies to pursue. Strategy implementation is often called the 'action stage' of strategic management. Implementing strategy means mobilizing employees and managers to put formulated strategies into action. Strategy evaluation is the final stage in strategic management. Managers desperately need to know when particular strategies are not working well strategy Evaluation is the primary means for obtaining this information. (David, 2011).

Abdul Wahid, Muhamad & Sehar (2013) identified problems in strategic management as lack of acceptance by the management, confusion about corporate planning and its meaning, failure to use the plan, over sophistication of the plans, conflicting goals and priorities, non-convergence, lack of competent people, lack of team management, ineffective operational arrangement, lack of support from the top level, unclear target of success, no acceptor organizational culture, divergent organizational structure, lack of commitment of decision makers and ambiguous strategy. These factors hinder successful implementation of strategies. Inaccurate and poorly stated information about change is also one of the challenges (Salih & Doll, 2013). In this context, the study aims to determine the extent to which strategic management is used, with the goal of discovering gaps between theory and practice.

1.1.1. Background of the organization

Wine making has been a part of Ethiopian culture for more than a millennium, dating back to the Axumite era. Grapes and wine were already well known in Ethiopia around the first century A.D. when they were first imported through the Red Sea Port of Adulis. Afterwards, Ethiopians started brewing traditional fermented beverages from locally available raw materials to welcome their guests. Ethiopians have been making a local wine called *tedj*, or Ethiopian mead, a honey wine flavoured with an indigenous herb that remains the most popular alcoholic beverage in Ethiopia. This ancient wine-making tradition now coexists with a modern form of winemaking. Ethiopia produces a range of value and premium wines, made from locally grown grapes.

In 1936 a Greek family started the first winery in Ethiopia in Addis Ababa at Lideta, followed by an Italian family who established their winery at Mekanisa. The two ventures were nationalized in 1974 and regrouped as one entity that was named Awash Wine. Since then, Awash Wine has grown to be a household name and one of Ethiopia's most loved brands – a market leader that is interwoven with the cultural fabric of the society (<https://www.awashwines.com>)

In September 2013, 8 Miles LLP, a private equity fund, became the new majority owner of Awash Wine Share Company. Since then, significant investments have been made to upgrade facilities, further improve product quality and diversify its portfolio of products. Today, Awash Wine leads the Ethiopian wine market, constantly growing and with a vision for further expansion. Currently Awash Wine has four sites – two wineries and a Distribution Centre in Addis Ababa and a 517-ha farm with a 225-ha vineyard located in the Oromia region, Arsi Zone, Merti Woreda (<https://www.awashwines.com>).

Vision

To be a recognized African company for quality wines and wine based beverages in 2030.

Mission

We take pride in creating wines that people love and enjoy memorable togetherness.

Values

- **Unity:** we live this value by considering that collective goals are more important than personal/ department goals.
- **Passion:** we live this value by executing our activity as if we are doing it for our business aiming to achieve our goal perfectly.
- **Trust:** we live this value by showing gratitude and recognizing the staff for their contribution to the team success valuing our strengths doing our best to get inspired from the areas where others excel.
- **Entrepreneurial:** we live this value by not fearing making mistake but learning from it.

Source: (<https://www.awashwines.com>).

1.2.Statement of the Problem

In today's world, strategic management is becoming increasingly important. we are in the midst of a hectic and rapid period of change in many aspects of our lives. This process, which is always changing, particularly in the management domain, forces managers to be ready to shift at any time, making traditional management techniques less relevant (Manage, 2018).

A company's strategy is the game plan used by management to establish a market position, run operations, attract and please customers, compete successfully, and meet organizational goals. The future is too unpredictable for management to plan a company's strategy in advance and encounter no reason for changing one piece or another of its intended strategy as time passes (Thomson, Strickland 2003). Bryson, (2004) argues that attention to stakeholders is important throughout the strategic management process because success and survival certainly depend on satisfying key stakeholders according to their definition of what is valuable. The mere crafting of mission and vision statements, mere identification of core competencies doesn't suffice in order for a strategic management system to be effective.

Strategic management is a critical concept in the beverage industry, which is currently operating in a dynamic environment characterized by modern technology breakthroughs, intense competition and a high level of challenges. The food and beverage industry are Ethiopia's fastest-growing industry and a major contributor to the country's economic growth (Global EDGE, 2021).

Many companies fail to effectively formulate, implement and evaluate strategies. The researcher as one of the employees of Awash Wine itself has a general observation as well as conducted random and informal preliminary interview with corporate affairs director and some concerned individuals, found out that there is no previous research targeted at overall assessment of the strategic management process in Awash Wine S.C. In Awash Wine S.C there is a clear direction of strategy as we understand from the company's vision but there is common strategic management problems employees are unaware of the company's strategy and objectives, and there is a

disconnect between their knowledge of the vision, mission and values of the organization additionally, employees are always resist to change.

Only few studies have addressed strategic management practices and challenges in the Alcoholic beverage industry. A study by Dinberu (2016) articulated the strategy planning, formulation and implementation and monitoring and evaluation practice of Nib International Bank. A descriptive statistic was used to analyse the data gathered. The finding of the study revealed that NIB's practice of communicating the strategy plan was poor and through participation of stakeholders is not realized. In addition, the bank's weak use of SWOT analysis results, misalignment or linkage of strategic plans with work units and individual tasks were observed. The strategic plan also lacks the comprehensive performance measurements and not linked with strategic management.

The Study made by Amelework (2015) tried to assess the strategic management practices in case of Ethiopian Insurance Corporation (EIC) and the research utilized both qualitative and quantitative data. Quantitative data was collected based on the questionnaires distributed to the management and employees. Secondary sources of data including strategic plans and budget preparation guidelines were also used. The results indicated that EIC fails to participate all employees on a bottom up approach during the strategy formulation process. Outlining branches and districts aren't also involved in the process. The process gives less emphasis to the long term insurance aspect of the core process. Even though, the above and other researches undertaken on the area of the study, still the concept of strategic management has needed more attention and research in different organizations in Ethiopia.

Currently, competition in Ethiopia's beverage sectors is increasing as a result of the development of new products and the tackling business strategies on the market. As a result, alcoholic beverage companies must be vigilant in managing their internal and external resources in order to compete in the current market. Despite the fact that various studies on strategic management strategies have been published, Ethiopian researchers have paid little attention to the alcoholic beverage industry. Furthermore, existing studies ignore newly added strategic management issues such as business ethics and corporate social responsibility (CSR). To its stakeholders, business has an ethical obligation. Ethical and socially conscious strategies are required. As a result, the research is being conducted to evaluate Awash Wine S.C's strategic management practices and challenges in order to narrow the knowledge gap by addressing the recently added key strategic management elements.

1.2. Basic Research Questions

1. How does Awash Wine S.C conduct environmental scanning?
2. How does Awash Wine S.C formulate, implement and evaluate strategies?
3. What are the challenges of management of Awash Wine S.C ?

1.3. Objective of the study

1.3.1. General objective

The general objective of the study was to assess the strategic management practices and challenges in the case of Awash Wine S.C.

1.3.2. Specific Objectives.

1. To assess how Awash Wine S.C undertakes environmental scanning.
2. To assess the formulation, implementation and evaluation practices of Awash Wine S.C.
3. To identify the challenges of management of Awash Wine S.C.

1.4. Significance of the Study

The study provides crucial inputs for different stakeholders or beneficiaries such as the management of Awash Wine S.C, breweries, and fellow researchers.

- The study findings will be vital for Awash Wine S.C as it helps CEO'S and decision makers in understanding the major impediments for strategic management (during strategy formulation, implementation and evaluation) and taking the necessary course of action.
- The beverage sector is currently functioning in a dynamic environment, with modern technological advancements. The general findings of this study was relevant to other similar organizations in the industry.
- Finally, it can also serve as an ingredient for future studies in the area for reference.

1.5. Delimitation /Scope of the study

The scope of the study can be discussed in terms of the issue under investigation (conceptual scope), geographical area (geographical scope), and the methodology adopted (methodological scope).

- Conceptually, this study assessed the strategic management practices and challenges in relation to strategy formulation, implementation and evaluation in the case of Awash Wine S.C.
- Geographically, the study is focused on three branches of Awash Wine S.C in Addis Ababa. The logic behind this is the difficulty to cover all branches and offices throughout the company and the study assumes that the sample respondents represent the whole population.
- Methodologically, the research relies on both primary and secondary sources of data, and applies mixed research approach and data were analysed mainly via descriptive statistics.

1.6. Definition of Terms

- **Strategy-** is the means by which long – term objectives will be achieved (David 2011).
- **Long term objectives-** objectives can be defined as specific results that an organization seeks to achieve in pursuing its basic mission. Long term means more than one year. (David, 2011)
- **Annual objectives-** are short term milestones that organizations must achieve to reach long term objectives. (Alkahafaji, 2003).
- **Vision-** vision statement is a statement that answers the question “what do we want to become? (David, 2011)
- **Mission-** enduring statements of purpose that distinguish one business from other similar firms (David, 2011).
- **External opportunities and threats-** refer to economic, social, cultural, demographic, environmental, technological and competitive trends and events that could significantly benefit or harm an organization in the future. Opportunity is a condition in the general environment that if exploited effectively, helps a company achieve strategic competitiveness. Threat is a condition in the general environment that may hinder a company's effort to achieve strategic competitiveness. (Hitt, Ireland and Hokisson, 2011).
- **Internal strength and weakness-** are an organization's controllable activities that are performed especially well or poorly. They arise in the management, marketing, finance/ accounting, production/ operations, research and development, and management information systems activities of business. David (2011). Strength refers to what your

company does well and that you should build upon. Weakness refers to any limitations a company faces in developing or implementing strategy (Hitt, Ireland and Hokisson, 2011).

- **Environmental scanning:** consists of analysing internal and external factors that may affect the organization and its ability to pursue a given course of action (Alkahafaji, 2003).
- **Strategy Formulation (SF):** In this study strategy formulation is expressed as an organization process in developing the organization's mission, objectives, strategies, and policies in beginning with situation analysis; the process of finding a strategic fit between external opportunities and internal strengths while working around external threats and internal weaknesses (Thomson and Strickland, 2014).
- **Strategy Implementation (SI):** In this study strategy implementation is expressed as a process by which policies and strategies are implemented through procedures, budgets and development programs. It is the process that turns strategies and plans into actions to accomplish strategic goals and objectives (Aaltonen and Ikavalko, 2011).
- **Strategy Evaluation (SE):** In this study strategy evaluation is expressed as the assessment of strategy implementation process that provides executives and managers performance information about program, projects and activities designed to meet organizational goals and objectives (Ackerman and Eden, 2011).

1.7. Organization of the research report

The study is organized into five chapters. The first chapter is about introduction to the study and focused on research background, statement of the problem, research questions, and objectives of the study, significance of the study, scope of the study, limitations of the study, definition of terms and finally organization of the study. The second chapter deals with review of related literature. This chapter focuses on the concepts of strategy, strategy management, components of strategy management, and stages of strategy management, Ethics and corporate social responsibility. The chapter also reviews empirical studies, presents the knowledge gap and finally the conceptual framework of the study. Chapter three is about research methodology and includes the research approach and design; research respondents; data sources and data collection instruments; population, sample size and sampling techniques; reliability and validity of data collection instruments; method of data analysis; and ethical considerations. The fourth chapter focuses on data presentation, analysis and interpretation. The final chapter provides summary of major findings, conclusion, and recommendation for the study.

CHAPTER TWO

2. REVIEW OF LITRATURE

2.1. INTRODUCTION

This chapter reviews theoretical literature including the concept of strategy and strategic management, historical development of strategic management, the importance of strategic management; strategic management process, approaches to strategic management, and drivers of strategic management. The chapter also reviews empirical studies conducted in Ethiopia and abroad in relation to the practices and challenges of strategic management, and discusses the knowledge gap. Finally, the chapter presents the conceptual framework of the study.

2.2. Review Of Literature

2.2.1. The concept of strategy

A strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage. Thomas & David (2012) also stated that a strategy of a corporation forms a comprehensive master plan that states how the corporation will achieve its mission and objectives. It maximizes competitive advantage and minimizes competitive disadvantage.

Oxford dictionary defines strategy as: a design of action planned to attain a long term or general goal. The art of forecasting and guiding general military processes and activities in a war or battle is also referred to as strategy. Originally it was called business policy, and has advanced

substantially with the concentrated efforts of researchers and practitioners (Wheelen and Hunger, 2017).

Strategy is not simply about “competing for today”; it is also concerned with “competing for tomorrow.” This dynamic concept of strategy involves establishing objectives for the future and determining how they will be achieved. Future objectives relate to the overall purpose of the firm (*mission*), what it seeks to become (*vision*) and specific performance targets according to (Robert, 2015).

2.2.2. Strategic Management

The most critical challenge facing most organizations today is coping up with today’s game of business, dynamism. For a past few decades, organizations have been facing fierce competition in their external environment in which they operate (Alkahafaji, 2003 & Ayub, Rzzaq, Aslam & Iftekhhar, 2013). Strategic approach to management has become modus operandi in most major organizations in the past several decades (Asghar, 2011). Strategic management as a concept is concerned with making decisions and taking corrective actions to achieve long term targets and goals of an organization. Strategic Management is one of the efforts of management to confront situations that arise in an organization’s daily routine while trying to achieve organizational goals and objectives (Alkahafaji, 2003). It is the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives (Abu-Bakr, Tufail & Yusof, 2011 and Kaplan & Norton, 1996). Strategic Management refers to the series of decisions taken by management to determine the long-term objectives of the organization and the means to achieve these objectives. Basically, it is concerned with the complexity arising out of ambiguous and non-routine situations with organization wide rather than operation-specific implications (Johnson, Scholes & Whittington, 2008). It includes understanding the strategic position of an organization, making strategic choices for the future and managing strategy in action (Johnson, et.al, 2008 & 2007). Strategic management entails specifying the organization's mission, vision and objectives, developing policies and plans in terms of projects and programs and then allocating resources to implement the policies and plans, projects and programs. In the Corporate sector, the emergence of strategic management started after the culmination of Second World War (Zafar, Babar & Abbas, 2013).

Roney (2010) asserts that the purpose of strategic management is to discover the nature and sources of competitive advantage. For Teece, Pisano & Shuen (1997) and Njagi & Kombo (2014) also, the fundamental question in the field of strategic management is how firms achieve and sustain competitive advantage. It provides overall direction to the enterprise (Kayale, 2012). It is a tool that has been successfully used by the ailing corporate organizations to prepare for the challenges of the future and improve their long term performance (Zafar, et.al. 2013).

The crucial element in strategic management is strategy. According to Higgins (2005), strategies are formulated to achieve an organization's purpose. Strategy is a comprehensive, long-term plan indicating how the corporation will achieve its missions and objectives (Alkahafaji, 2003, & Kayale, 2012). It is the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations. (Johnson et al. 2008). Strategy sets direction, focuses effort, promotes coordination of activity and affects overall welfare of the organization (Ahlstrand and Lampel, 1998).

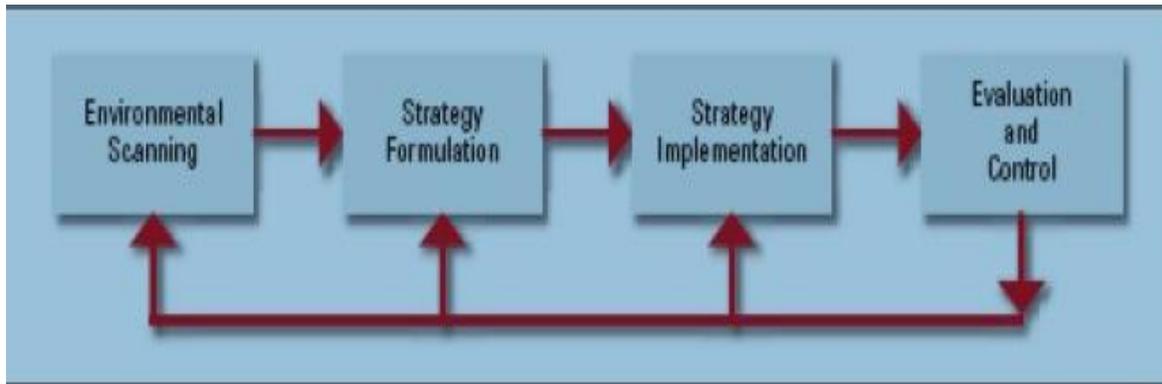
2.2.3. Strategic Management Process

Strategic management is the domain of top level management and involves four basic components;

- Environmental scanning,
- Strategy formulation,
- Strategy implementation and
- Monitoring and control (Alkahafaji, 2003)

Ahlstrand and Lampel (1998) and Zafar, et.al, (2013) also noted that strategy passes through four stages environmental scanning, strategy formulation, strategy implementation and evaluation or monitoring. All of these four components are crucial to successful business (Baroto, Arvand & Ahmad, 2014). The figure below shows the basic elements of the strategic management process and their inter relationship.

Figure 2.1 1 Basic Elements of the strategic management process



Source: Wheelen and Hunger (2008)

- **Environmental Scanning** - is the monitoring, evaluating, and disseminating of information from the external and internal environments to key people within the corporation. Its purpose is to identify strategic factors – those external and internal elements that will determine the future of the corporation. For Alkahafaji, (2003) success of a strategy depends on its alignment with the company's environment. This is done using environmental scanning.
- **Strategy Formulation** - Charles and Gareth (2012) defined strategy formulation as analyzing the organization's external and internal environments and then selecting appropriate strategies. Similarly, (Azhar, et.al. 2013) stated that strategy formulation is the process of developing long term plans to deal effectively with environmental opportunities and threats. It starts when a leader tries to change the thinking of people. It incorporates decision as to which business to pursue and how to allocate resources. It comprises the articulation of a mission, vision and a set of long term objectives to be achieved within the stated mission and selection of strategies.
- **Strategy Implementations** - The stage of strategic management that involves the use of managerial and organizational tools to direct resources toward achieving strategic outcomes according to (Daft, 2010). Arguably it is the most demanding and time-consuming part of the strategic management process. It requires preparing a strategic plan that sets out annual objectives, establishes an effective organizational structure, fixes a budget, develops a viable information system and generally devises a work plan for job execution. It also involves motivating employees, creating a supportive culture, allocating resources and linking employee compensation to the organization objective. (Thompson, 2004).

- **Evaluation and controlling**– Alkahafaji, (2003) defines evaluation and control as the step succeeding implementation and entails monitoring the organization’s performance to ensure that the chosen strategy achieves the desired objectives. This final step of the strategic management process includes analysis of the effect of internal and external factors on present strategies, measuring performance, and taking remedial or corrective steps. It is a tool to ensure effective implementation of the process. (Zafar, et.al. 2013). Strategic control involves monitoring the extent to which the strategy is achieving the objectives and suggesting corrective action or a reconsideration of the objectives (Johnson, et.al. 2007).

2.2.4. Factors Affecting Strategic Management Practices

The success of a business in a company mostly depends on the match between its operating environment and the company and therefore, understanding the environment is important for every company. Viljoen, (1996) asserts that “one of the primary tasks of the strategist is the management of the interface between the organization and its external environment”. Several studies (e.g. Lanyon and Abdallah, 1997, John, Bruce and Fred 1982, Ronald 2003) also highlight the importance of environmental analysis for strategic planning. According to Johnson and Scholes (1999) environmental analysis is important for managers because of three reasons. First, managers face difficulties when trying to understand the environment because the environments consist of so many different influences. Secondly, is the uncertainty of the future that is being created by fast growing technological changes and the speed of global communication. Finally, managers are human beings that can make errors and therefore, the need to reduce the complexity of the environment by the use of environmental analysis methods.

Hitt et al., (2005) divide the external environment into three major categories namely the general, industry, and competitor environments. The general environment has a number of dimensions such as political/legal, technological, socio cultural, global, demographic which represent the broader society that can influence an industry and the firms within it. The industry environment is the set of factors that directly influence the organization and its competitive actions such as the threat of new entrants, the power of suppliers, the threat of product substitutes, and the rivalry among the competitors. Competitor analysis is about the collecting and interpreting information about the company’s competitors. Hitt et al (2005) assert that the analysis of general environment focuses on the future, and the analysis of the industry environment focuses on the factors and conditions

that influence the company's profitability within its industry while analysis on competitor environment focuses on predicting the dynamics of competitor's actions, responses and intentions.

Simons and Thompson, (1998) referred to three categories of factors that affected strategic decision-making process: environmental factors; organizational factors; and decision-specific factors. Here, environmental factors mean external agents such as national culture, national economic conditions, and industry conditions. Organizational factors refer to organizational structure, organizational culture, structure of decision making board of directors, impact of upward influence, and employee involvement. Decision-specific factors can be explained as time, risk, complexity, and politics.

According to Porter (1979) strategists must assess the forces affecting competition in their industry and identify their company's strengths and weaknesses, then strategists can devise a plan of action that may include first, positioning the company so that its capabilities provide the best defence against the competitive force; and/or second, influencing the balance of the forces through strategic moves, thereby improving the company's position; and/or third, anticipating shifts in the factors underlying the forces and responding to them, with the hope of exploiting change by choosing a strategy

2.2.5. The importance of strategic management

Strategic management and business policy integrates the traditional subjects with the main purpose of providing a practical, real- world view of business management. The study of strategic management and business policy is a capstone course designed to integrate all prior learning into one subject suited for application in the modern business environment. Further, strategic management is designed to develop an awareness of the process by which organizations can achieve synergies of the whole through the effective cooperation and interaction of the many departments within an organization (Alkhafaji 2003).

Today's managers must have and/or develop the ability to see the interdependent and interrelated nature of organizations. In addition, managers must develop the necessary skills to closely interact with people from different backgrounds. Therefore, the study of strategic management is designed to prepare current as well as future managers to meet the challenges of today's competitive and ever changing environment (Alkhafaji 2003).

2.2.6. Theories of strategic management

2.2.6.1. *Resource Based View of Strategies*

The resource-based perspective rests on two major theories; TGF; “The Theory of the Growth of the Firm”, (Penrose 1959) and RBV; “The Resource Based View” (Wernerfelt, 1985 and Barney, 1991). Compared to theories of market based strategies, these theories are seen as focusing internal strengths and weakness in organizational resources, showing how processes are managed and how the resources are allocated and deployed, all in order to obtain a sustainable or sustained competitive advantage. To obtain competitive advantage, resources have to be strategic and, according to Barney, valuable, rare, inimitable, immobile and in some contexts not even tradable. The resource-based perspective in a contemporary view also includes company elements such as structure, control system and compensation policies in order to fully ensure proper resource exploitation (Barney, 1997).

2.2.6.2. *The Profit-Maximizing and Competition-based Theory*

According to Porter (1981) it was based on the notion that business organization main objective is to maximize long term profit and developing sustainable competitive advantage over competitive rivals in the external market place. The industrial-organization (I/O) perspective is the basis of this theory as it views the organization external market positioning as the critical factor for attaining and sustaining competitive advantage, or in other words, the traditional I/O perspective offered strategic management a systematic model for assessing competition within an industry.

2.2.6.3. *Agency and Human Resource-based Theories*

The agency theory stresses the underlying important relationship between the shareholders or owners and the agents or managers in ensuring the success of the organizations. On the other hand, the human resource-based theory emphasizes the importance of the human element in the strategy development of organizations. (Raduan, Jegak, , Haslinda, Alimin, I.I, 2009).

2.2.6.4. *The Contingency Theory*

The contingency theory draws the idea that there is no one or single best way or approach to manage organizations. Organizations should then develop managerial strategy based on the situation and condition they are experiencing. During the process of strategy formulation, implementation and evaluation, these main strategic management theories will be applicable to

management of organization as tools to assist them in making strategic and guided managerial decision (Raduan, et al, 2009).

2.2.7. Strategy, Corporate Social Responsibility, and Business Ethics

Strategy decisions should not be based solely on projected effects on financial performance. An organization's strategies at all levels should be compatible with its stance on social responsibility and ethics. Strategic alternatives should be considered in light of stated positions on corporate social responsibility (CSR). Marketers of alcoholic beverages must consider whether or not attractive advertising campaigns may attract minors as well. A manufacturer must consider how plant relocation might affect the community in which it is currently located. Video game developers, for example, must consider how much violence is acceptable in the games they market to various age groups. Hence, there are social responsibility and/or ethical considerations facing every organization. (Parnell 2014).

David (2011) stated that good business ethics is a prerequisite for good strategic management, good ethics is good business. Being unethical can be very expensive. Social responsibility refers to actions an organization takes beyond what is legally required to protect or enhance the wellbeing of living things .the impact of society on business and vice versa is becoming more and more pronounce each year. CSR should be designed and articulated during strategy formulation, set and administered during strategy implementation and reaffirmed or changed during strategy evaluation. Today managers frequently asked to maintain improved not only the firm's economic performance but also its social and ecological performance. The triple bottom line combination of economic, social, and ecological concerns or profit, people, and planet can lead to sustainable strategy (Rothaermel, 2017).

Sustainable strategy means a strategy that can be pursued over time without detrimental effects on people or the planet. Like balanced Scorecard, the triple bottom line takes a more integrative and holistic view in a company's performance. Being proactive along non-economic dimension can make a good business sense (Rothaermel, 2017).

According to Alkahafaji (2003), business has an ethical responsibility to its stakeholders. Therefore, strategies must be Ethical and socially responsible. They involve right and responsible actions. The strategy should emphasize the dignity and respect of all company employees and reassure their economic wellbeing, health and job security. Happy employees will result in happy

customers, which results in good financial performance. In addition major customers expect high-quality products and services, which are safe and durable, at reasonable prices. Strategy formulation should reflect good citizenship, waste removal, and problem solving. Being ethical and socially responsible involves not only satisfying legal requirements, but also going beyond the law to meet your responsibilities to society as a whole. A proactive approach is required and expected by society.

2.2.8. Strategic fit or alignment

The concept of fit or alignment is a central theme in the field of strategic management (Venkatraman, 1989). Strategic fit reflects the degree of alignment which exists between strategy, structure, process, function and environment. Porter, (1996) contends strategic fit among many activities is fundamental not only to competitive advantage but also to the sustainability of that advantage. It is harder for a rival to match an array of interlocked activities than it is merely to imitate a particular sales- force approach, match a process technology, or replicate a set of product features.

According to Ansoff (1965), when formulating corporate strategy, it is important fitting or aligning the organizations strategy with an internal appraisal of the firm and an external assessment of environment opportunities and threats. Kaplan (2005), states that Alignment is important in formulating strategies as well as in their implementation.

Alignment requires a shared understanding of organizational goals and objectives by managers at various levels and within various units of the organizational hierarchy. A firm's ability to seek and maintain a competitive advantage rests upon its ability to acquire and deploy resources that are coherent with the organization's competitive needs. (Porter, 1996). Kaplan and Norton (2006) states that by its very nature alignment requires cooperation across organizational boundaries, and therefore the process must be managed proactively.

2.2.8.1. Types of strategic fit or alignment

- **Vertical Alignment**

Vertical alignment refers to the configuration of strategies, objectives, action plans, and decisions throughout the various levels of the organization. Strategic management is an iterative process that starts with the development of an overall strategy at the corporate level to guide the entire organization. Strategy implementation is effectively carried out in a bottom-

up fashion, with an aim to make lower level decisions consistent with the decisions at the upper levels. When this consistency is achieved, vertical alignment has been realized. (kathuria, Joshi, Porth, 2007).

- **Horizontal Alignment**

Horizontal alignment refers to coordination of efforts across the organization and is primarily relevant to the lower levels in the strategy hierarchy. Horizontal alignment can be defined in terms of cross-functional and intra-functional integration. Cross functional integration connotes the consistency of decisions across functions so that activities and decisions across marketing, operations, HR, and other functions complement and support one another. Intra-functional coordination is achieved through coherence across decision areas so as to achieve synergy within each function. For successful implementation, decisions within a function should be aligned vertically with that function's strategic objectives, as well as, laterally – across decision areas within a function the process of horizontal alignment requires exchange and cooperation among various functional activities. (kathuria, Joshi, Porth, 2007).

2.2.8.2..Importance of Strategic Fit or Alignment

According to porter (1996), fit refers to the network of closely related elements and activities that emerged in a specific organizational context and thus present important obstacle for imitation by competitors. In addition to helping the firm to manage their resources more effectively, fit enables synergy effects throughout the firm, improved procurement, allocation and use of resources and increased earning capability. It also helps the organization to reduce operational costs, take advantage of new opportunities such as internationalization.

2.3. Empirical Literature Review

Several studies have been conducted in relation to strategic management. One of the studies conducted in Ethiopia in relation to the subject matter was done by Dinberu (2016). The researcher assessed the strategic management practices of Nib International Bank based on primary and secondary data collected using questionnaires, interview and written materials. Simple random sampling was used to collect primary information and accordingly descriptive statistics was used to analyse the data gathered. Based on this, the finding of the study revealed that NIB's practice of communicating the strategy plan is poor and thorough participation of stakeholders is not realized. In addition, the Bank's weak use of SWOT analysis results, misalignment or linking strategic plan with work unites and individual tasks are observed. When it comes to the

performance measures, the strategic plan lacks comprehensive performance measurements. Work unit and individuals' performance measurements are not effective; if performance management is not linked with strategic management. The researcher recommended that the bank should work on its strategic plan communication, alleviate its weakness of utilizing its analysis, shall balance its performance measures and link those measures with work unit and individual performances.

Local Study strategic management include an assessment of strategic management practices of Action for Development by Addisie (2015). The purpose of the research was assessing the strategic plan formulation and implementation in the case of Action for Development. Both primary and secondary sources of data were used for the research. The results indicated that action for development has major drawbacks in the areas of effectively communicating the strategic plan to concerned stakeholders. The researcher recommended that Action for development should effectively communicate the strategic plan to concerned stakeholders to ensure the same level of understanding, find sustainable sources of finance to support the implementation of strategies and should work on capacity development of its employees.

A study made on some selected NGO's practices and challenges of formulating, implementing and controlling strategic planning the objective of the study was to examine the practices and challenges of using strategic plan in NGOs operation in Ethiopia. The study was carried out based on the information from the secondary and primary data sources which was administrated using questionnaire, interview and observation of the researcher. Finally it was found out that NGOs, these days, have good understanding about the benefits of strategic planning thus using it as an important tool that must be applied in their organization. Due to their peculiar organizational purpose which focuses on meeting social objectives, the challenges for implementing their strategic plan is diverse, especially securing funding for their program and involving stakeholders as real partners of their programs. (Tsehay, 2014)

Another local study was conducted by Amelework (2015). The researcher assessed the strategic management practice in the case of Ethiopian Insurance Corporation. The purpose of the research was assessing the strategic management practices of EIC to this end, both primary and secondary sources of data were used for the research purpose. The quantitative data analysis was done using descriptive statistics while the qualitative data was analysed using narrative form. The results indicated that EIC does not participate all employees on a bottom up approach during the strategy

formulation process. Outlining branches and districts aren't also involved in the process. The process gives less emphasis to the long term insurance aspect of the core process. The researcher recommended that as employee engagement in strategy formulation encourages a sense of ownership of the strategy and further develops organizational capabilities, EIC should make sure that all employees have a say in the process. The top management or the process council and the strategic management team shall make sure that the strategy formulation process involves districts and branches outside Addis.

Linnet & Henry, (2014) investigated the effect of strategy implementation on performance of Commercial Banks in Kenya. The specific objectives of the study were to determine the effect of operationalization of strategy on performance of the banks and to determine the effect of institutionalization of strategy on performance of the banks. To achieve these objectives, the study adopted correlation research design. The target population was the forty three commercial banks in Kenya. Given the small number of commercial banks, a census study was conducted. The data gathered was analysed using descriptive statistics such as percentages to summarize the data. Pearson's correlation coefficient was used to determine the nature and strength of the relationship between strategy implementation and organizational performance. To determine the effect of strategy implementation on organizational performance, a multiple regression model was developed. The results reveal that there is a moderate strong relationship between strategy implementation and organizational performance. The researcher recommended that for institutions to thrive and compete they must implement strategies effectively. Most of studies usually focus on strategy management practice, which shows that they lack focus on strategy implementation as they try to cover all the four steps of strategic management process.

Kakunu (2012) determined factors that influence the banks strategic management practices in Kenya. The study adopted the descriptive design and the population of the study comprised 43 banks. Questionnaire was used in data collection and data was analysed using descriptive analysis. Finding showed that the most significant factors that influence strategic management practices were technological environment, economic environment, global environment, political and legal environment, bank structure, bank resources, and socio-cultural environment. The finding also revealed that strategic management in commercial banks was highly influenced by both internal factors and external factors.

Uwa, K.L (2021) examined factors that influence strategic management practices of commercial banks in Nigeria. The study was guided by one objective and one research question. The descriptive survey research was adopted and the population of the study comprised 17 banks. The result revealed that political and legal environment, demography, socio-cultural environment, economic environment and technological environment were the five major factors that influence strategic management practices. And the finding showed that the environmental factors have major influence on strategic management practices among commercial banks in Nigeria.

Major studies of strategic management carried out in Nigeria by Nmadu (2007) found support for the strategic management and organizational performance hypothesis. For instance the studies revealed that a SBEs corporate financial performance tends to increase with a unit increase in the level of practice of strategic management. The higher the overall level of strategic management practices by SBEs, the higher the financial performance of the SBEs expressed in terms of earning per share, profit before tax, return on capital employed, net asset, current working capital ratio, increase in relative market share, continuing addition of new product lines, and total deposits. For all the financial performance indicators used, performance tended to increased significantly as the level of strategic management increased.

Mosiah (2008) explored the strategic management practices of small firms operating in the emerging economies with emphasis on the health biochemistry industry. He compares these practices with the context of the practices documented in history. The research used qualitative data from a non-probability sample of two firms in the industry. Case study methodology using in-depth interviews was employed to collect data from the senior executives of these two firms. The research recommended that the emerging industries should engage in formal strategic management practices.

2.3.1. Knowledge gap

Currently, competition in Ethiopia's beverage sectors is increasing as a result of the development of new products and the tackling business strategies on the market. As a result, alcoholic beverage companies must be vigilant in managing their internal and external resources in order to compete in the current market. Despite the fact that various studies on strategic management strategies have been published, Ethiopian researchers have paid little attention to the alcoholic beverage industry. Furthermore, existing studies ignore newly added strategic management issues such as business

ethics and corporate social responsibility (CSR). To its stakeholders, business has an ethical obligation. Ethical and socially conscious strategies are required. As a result, the research is being conducted to evaluate Awash Wine S.C's strategic management practices and challenges in order to narrow the knowledge gap by addressing the recently added key strategic management elements.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1. INTRODUCTION

This chapter describes how the study has been conducted. It outlines the approach and strategy that was undertaken in the study. This section describes the research approach and design, the data sources and collection instruments; population, sample size and sampling techniques; reliability and validity of data collection instruments; methods of data analyses; and ethical considerations.

3.2. Research Approach

In terms of approach a research can be divided into qualitative and quantitative. Qualitative research is concerned with subjective assessment of attitudes, opinions and behaviour. Quantitative research method involves a numeric or statistical approach to the research. Aiming to achieve the objectives of the study, quantitative method have been chosen.

3.3. Research design

The primary purpose of this study was to assess strategic management practices and challenges of Awash Wine S.C. in light of the theoretical framework and hence it can be said that it has a descriptive nature. Thus, in this study, the researcher employed descriptive research design. Lothario, (2007) defines descriptive research studies as those which are concerned with describing the characteristics of individual or of a group. Descriptive research aims to describe a population, situation, or phenomenon accurately. It can answer what, when, where and how questions but not why questions.

3.4. Sources and types of data

The study used both primary and secondary sources of data. Primary data refers to information collected by the researcher himself and is collected for the first time. These include the actual information received from individuals directly concerning the problem of the study. Moreover, secondary sources were used from different and related materials.

3.5. Target Population, sample size and sampling techniques

3.5.1. Target population

The set of all elements belonging to a specific defined group to be examined or to which research results will be generalized is referred to as the target population. Since there are a very limited number of people who are responsible for formulating, implementing, and evaluating, the researcher plans to consider the census method. In Awash wine S.C, there are 72 directors, managers and supervisors who are participating in the formulating, implementing, and evaluating strategic management practices. The target population or target groups were directors, head of departments, and line managers who work under three branches of the company and farm management staffs who work out of Addis Ababa.

3.5.2. Sample size

Sample size represents the number of items selected from the population (Kothari, 2007). According to Mason and Marchal (2002), a good sample size depends on three key factors namely, the level of confidence desired, the margin of error and the variability of the population. Denscombe (2003) confirmed the same by stating that the adequacy of a sample depends on

several factors connected with the research as weighed by the researcher in the process of reaching decision on sample size.

Table 3.1 1 Total Population and Sample of the Study

Location	Top Managers	Middle and lower Managers
	Population	Population
Lideta /Head Office)	9	29
Kality	1	14
Mekanisa	1	4
farm	1	8
Total	12	60
Grand Total	72	

Source: Human resource department of Awash Wine S.C (2022)

3.5.3. Sampling Techniques

In this study, census method was used to include the entire population. Although cost considerations make this impossible for large populations, a census is attractive for small populations (e.g., 200 or less). A census eliminates sampling error and provides data on all the

individuals in the population Glenn D. Israel (1992). Thus, the writer of this study paper finds important and appropriate to consider the whole population to extract data from.

3.5. Methods of data analysis techniques

The data gathered via structured questionnaire was processed through SPSS and analysed by using descriptive statistics (frequency, percentage, mean and standard deviation). Finally, the results were presented using tables, graphs and charts for easily understanding of the findings.

A descriptive framework rely more on the researcher's prior experience and what he/she expects to occur, although it is of course possible to develop an explanatory framework based on a mixture of theory and the researcher's own expectations. The researcher used this framework as the means to start and direct the analysis of the data (Mark , Philip , & Adrian , 2009). The researcher summarized the organizational document like internal report find in Awash Wine S.C. to describe the purpose of the document, how the document is related to the study, and its significant.

3.6. Data collection instruments

The researcher makes use of both quantitative and qualitative data collection methods. These include a well-structured self-administered questionnaires. Questionnaire is chosen as a means of data collection because it is effective to collect data about “facts, activities, level of knowledge, opinions, expectations and aspirations and attitudes and perceptions” (Siniscalco and Auriat, n.d:7).The questionnaire includes close-ended and open-end questions which are developed in accordance with the research questions and objectives. The close-ended questions are easy to manage, respond and code (Siniscalco and Auriat, n.d:7). Hence, they offer an opportunity to present many questions to respondents without exhausting their time.

3.7. Validity and reliability of data collection instruments

3.7.1. Validity

The accuracy with which a method measures what it is intended to measure (Schopper et al., 1993) and yields data that really represents “reality” (Goodwin et al., 1987). Validation does not belong in some separate stage of the investigation, but instead as an ongoing principle throughout the entire research process. The ability of a scale or a measuring instrument to measure what it is intended to measure can be termed as the validity of the measurement (S. Sreejesh, Sanjay , & M. R. Anusree, 2014).

To declare validity to the research, the researcher adopted valid and reliable measurement scales from prior scholars (Tegnaw 2019, and Amelework 2015).and check its face validity via having discussion with the research advisor. Additionally, the researcher runs the pilot test to check the validity of data and to see if respondents understand the content of the survey questionnaire. Accordingly, pilot test was conducted on 15 respondents and the necessary modifications were made on the questionnaire before conducting the main survey.

3.7.2. Reliability

According to Kothari (2004), reliability refers to consistency, where internal consistency involves correlating the responses to each question in the questionnaire with those other questions in the questionnaire. The term reliability defined as the consistency or stability of measurement over a variety of situations in which basically similar outcomes should be obtained.

The most popular method of testing for internal consistency in the behavioural sciences is Cronbach's alpha. Cronbach's alpha reliability/consistency coefficient normally spreads/ranges between 0 and 1.The researcher adopted the questionnaire from Tegnaw (2019) and Amelework, (2015) with some adjustments so as to fit to the current circumstance and study area.

3.8. Ethical Consideration

Prior to completion of the questionnaire, the researcher informed the purpose of the study and assured the respondents that confidentiality was maintained. The researcher informed respondents that the data they give used only for the research purpose and keep confidential and used only for this research purpose. The name of each informant not requested and publicize in any case and nowhere on this research paper.

CHAPTER FOUR

4. DATA ANALYSIS AND DISCUSSION

4.1. Survey Distribution and Response Rates

A survey was conveyed to the top, middle and lower level managers of the Awash Wine S.C in a way which empowers to urge solid data. In this manner, 72 composed surveys were distributed aiming to address all directors, managers and supervisors who are participating in the formulating, implementing, and evaluating strategic management practices and 69 questionnaires were completely completed and returned by the respondents. This makes the reaction rate 95.8%.

4.2. Demographic Information of Respondents

The general background information about the respondents is presented in table 4.1. Respondents were asked about their gender, age, experience, qualification, and department they are working in.

Table 4.1 1 Gender of Respondents

Gender of Respondents			
		Frequency	Percent
Valid	Male	53	76.8
	Female	16	23.2
	Total	69	100.0

Source: Own Survey result, 2022

The table above essentially portrays that 76.8% of the respondents were male while the remaining 23.2% of the respondents were female. This study result appears that most of the respondents of the study are males and typically it is possible to say that majority of top, middle and lower level managers at Awash Wine S.C. are male.

-Table 4.2 1 Age of Respondents

Age of Respondents			
		Frequency	Percent
Valid	25 – 35	16	23.2
	36 – 45	33	47.8
	46 - 55	13	18.8
	56 and Above	7	10.1

	Total	69	100.0
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Source: Own Survey result, 2022

Regarding the age category of respondents, the lion's shares (67.7%) of the respondents are between the age of 36 and 45 years. Another significant rate of 23.2% of the respondents is between of 25 and 35. The table over appears that most of the representatives are young within Awash Wine S.C. This still appears that the organization is built with essentially high number of young employees as employees within age range of 46-55 and 56 and above counted for 18.8 and 10.1%, respectively.

Table 4.3 1 Experience of Respondents

Experience of Respondents			
		Frequency	Percent
Valid	1 – 4	3	4.3
	5 – 10	34	49.3
	11 – 15	19	27.5
	16 years & above	13	18.8
	Total	69	100.0

Source: Own Survey result, 2022

As it can be seen from the above table, lion's share of respondents has long organizational tenure as employee of the organization. Particularly, 49.3% of the respondents have an involvement between 5-10 years, while 27.5% of the respondents have been employed for 11-15 years, and 20% of the respondents have been working within the organization from 16 and above years and only 4.6% of the respondents have been working within the organization from 0-5 years. This shows that the managerial staff are well experienced to perform their tasks.

Table 4.4 1 Qualification of Respondents

Qualification of Respondents		
	Frequency	Percent
BA/BSc/BLL degree	34	49.3
Master's Degree	35	50.7
Total	69	100.0

Source: Own Survey result, 2022

Agreeing to the study result the respondent's education levels is either first degree or master's degree each having almost equal ratio. Taking from this result, majority of the managerial staff ++in this company are literate enough to execute the strategies of the company.

Table 4.5 1 Respondents' Department in Awash Wine S.C

Department		
	Frequency	Percent
Commercial	20	29.0
Finance	8	11.6
HR	10	14.5
Farm	16	23.2
Technical	5	7.2
Procurement	4	5.8
HSE (Health, Safety and Environment) and Corporate Affairs	6	8.7
Total	69	100.0

Source: Own Survey result, 2022

Aiming to get realistic data, respective directors, managers and supervisors from all departments took part in this study. Accordingly, out of 69 employees who completed the questionnaire, 29% of the respondents belong to commercial department, 23.2% of respondents are from farm department, 14.5% and 11.6% of respondents were from HR and Finance department respectively and the rest Technical, Procurement, and HSE and Corporate Affairs counted for 7.2%, 5.8% and 8.7% respectively. This shows that majority of directors, managers and supervisors in the company are from Commercial department.

4.3. Data Analysis Pertaining to the Study

Descriptive statistics in this study was employed to capture the perception of directors, managers and supervisor towards assess strategic management practices and challenges of Awash Wine S.C. Each variable is subject to 5-scale Likert measurement aiming to measure the responses in range of 1-5. As it has been discussed in the questionnaire, 1 represents strong disagreement, 2 is for disagree, neutral is represented with 3, 4 stands for agree, and 5 for strong agreement level. Mean and standard deviations have been used to reflect the perception of employee of the organization

towards each variable as it is displayed in the table below. In this regard, the mean value can be interpreted as;

Table 4.6 1 Mean Values Interpretation

	Mean Range	Interpretation
1	1.00 - 1.80	Strong Disagreement
2	1.80-2.60	Disagreement
3	2.60- 3.40	Neutral
4	3.40-4.20	Agreement
5	4.20-5.00	Strong Agreement

Source: (Getasew, 2020)

4.3.1. Descriptive Analysis Related to Strategic Management Practices

4.3.1.1. Descriptive statistics for strategy formulation

Table 4.7 1 Descriptive analysis for Strategy Formulation

Strategy Formulation		
Vision Statement	Mean	Std. Deviation
The company articulated a vision statement for the organization	5.00	.00
Top management updates vision statement regularly	2.43	.67
The company articulates a mission statement	5.00	.00
The company has defined a set of values that govern its employees.	4.05	.82
The vision, mission and value statements are compatible with the company current activities being carried out	3.49	1.18
Vision, mission and value statements are shared among employees	3.62	1.04
The company has established long term SMART objectives that are easy to understand for all employees	3.21	1.05
The company consider Business Ethics and corporate social responsibility while formulating strategies	2.47	.53
Average	3.66	.37

Source: Own Survey result, 2022

The grand mean for strategic formulation shows that the company is doing well in most of its strategic formulation activities as justified by the mean value of 3.66. Considering the importance of having effective strategic formulation practice which clearly indicates and describes who is to benefit from the desired outcomes and impact and a desired future state of the company. So, for Awash Wine having strategy formulated in such a way would allow the company to imagine the specific changes.

As it can be seen from the table above respondents showed their full agreement for the statement that the company came up for articulation of vision and mission statements as both statements registered a mean score of 5.00 with no deviation in response. This is much expected as any company in any kind of business articulate its vision and mission statement and the same is happening for Awash Wine S.C. which shows that the company have putted a word on what to become in the future.

Second highest mean value is registered for presence of defined a set of values in the company that govern its employees. According to the respondents, Awash Wine S.C. defined their set of values as it has been justified by the mean value of 4.05. This is an indication that the company has putted its philosophy on how to treat its customers and employees, which can be taken as a good strategic management practice.

The researcher also wanted to know compatibility of vision, mission, and value statements with company current activities being carried out and the response from respondents registered as a mean score of 3.49. The mean value shows that vision, mission, and value statements of the company are aligned with current activities of the company. This is a huge boost for Awash Wine S.C. as alignment of these statements with company's services allows the company to properly identify its unique or fundamental purpose and will be able to have a core competency. Additionally, employees agreed up on taking part vision, mission and value statements with a mean score of 3.62. This gives more empowerment to help the company achieve its future objectives. It can act as a guide when employees encounter challenges. Vision statements also help motivate employees to work toward shared goals.

Establishment of long term SMART objectives that is easy to understand for all employees found to doubtful in view of these participants as the their response mean is 3.21 which lands in neutral agreement. This seems to be an obstacle for Awash Wine as having no long-term objectives; the

company would drift aimlessly toward some unknown end. It is hard to imagine a company or individual employees being successful without clear objectives. Success only rarely occurs by accident; rather, it is the result of hard work directed toward achieving certain objectives.

Regular updating of vision statements and consideration of Business Ethics and corporate social responsibility while formulating strategies are statements with low means score of 2.43 and 2.47 respectively. Regular updating is of course necessary to growing organizations and during transitions. Considering the experience and market share of Awash Wine Regular updating seems to be appropriate expansions and transitions the company has made. Since the company or business is evolving, the company should have incorporated additional elements into its mission or vision statement. But, taking from the results of the study regular updates haven't been made by the company. The other disagreement from respondents was Business Ethics and corporate social responsibility. This is worrying for the company as business ethics enhances the law by outlining acceptable behaviours beyond government control. Corporations establish business ethics to promote integrity among their employees and gain trust from key stakeholders, such as investors and consumers. In this regard, Awash Wine is in great risk of losing their business and reputation, the company can lose their credibility, general morale and productivity can decline, or the behaviour can result in significant fines and/or financial loss.

4.3.1.2. Descriptive statistics for environmental scanning

Table 4.8 1 Descriptive analysis for Environmental scanning

Environmental scanning		
	Mean	Std. Deviation
The company has conducts SWOT and PESTEL analysis while developing business strategies.	4.10	.76
Top management analyses and learns today's dynamic and competitive environment and the company's internal operation	3.68	.88
Average	3.89	.67

Source: Own Survey result, 2022

Taking from the result of grand mean environmental scanning it is possible to deduce that awash wine's environmental scanning practices highly effective. It is obvious that environmental

scanning is the ongoing tracking of trends and occurrences in a company’s internal and external environment that bear on its success, currently and in the future. The result from this study suggests that awash wine is extremely beneficial from its environmental scanning practices in shaping its goals and strategies.

The first statement of environment scanning is about SWOT and PESTEL analysis, the response scored a mean of 4.10 and SD 0.78, which means their company, conducts a SWOT and PESTEL analysis that will give opportunities to identify their distinctive competencies. This practice will allow the company to analyse a company's financial health and competitive advantages or disadvantages. Such practices of the company are essential as these strategy tools were created to analyse internal and external forces affecting a company or industry.

A mean score of 3.68 is registered for top management analyses and understanding of today’s dynamic and competitive environment and the company’s internal operation. As the mean value indicates the company is doing well in terms of having analysis of both internal operations and external environment which is much useful to find out the strengths and weaknesses of the company. It helps management in making decisions for the development of corporate strategy, formulation, and implementation procedures. The internal analysis analyses internal factors which are controllable.

4.3.1.3. Descriptive statistics for strategy implementation

Table 4.9 1 Descriptive analysis for Strategy Implementation

Strategy Implementation		
	Mean	Std. Deviation
The company developed and communicated a policy manual to its employees to support strategy execution.	4.12	.78
Top management provides all the necessary resources to implement strategies of the company.	3.56	1.17
There are adequate motivation and support to employees during strategy implementation.	3.29	.86
The company has appropriate organizational structure and reporting relationship between departments, sections and employees.	3.37	.97

Top management takes the leading role in initiating and implementing change management	2.45	.86
The human resource departments capable of implementing company's business strategies	2.67	1.05
The company provides adequate information communication technologies facilities to save time and cost of the workflow	2.47	.53
Average	3.14	.88

Source: Own Survey result, 2022

A grand mean of 3.14 is an indication that managerial staff of the company is not pretty satisfied with strategic implementation of the company. Poor management could be taken as the major problem. In practice, the phenomenon can be understood in this way: individual cases of poor implementation are caused by lack of ability, whereas poor implementation across the whole company is caused by a lack of effective management. In this regard, the top management of the company should make efforts to make sure the presence identifiable business objectives. These weaknesses are a clear indication that the company lacks the focus needed to achieve corporate goals and develop plans that will move the company forward.

Regarding development and communication of a policy to its employees in support of strategy execution AWASH WINE S.C made good accomplishment according to the participants of the study. This is justified by the mean score of 4.12. This move seem to be good for the company as the strategic communication plan is a written plan outlining communication to every team in the company on the company's objectives. In this regard the company is effective in delivering its plans deliberate with messages and tactics used to help engage employees with the company strategy and fuel performance success for the company.

Provision of all the necessary resources to implement strategies of the company by the top management also examined and 3.56 mean score is registered from the respondents to show their agreement to the statement. The result from the survey is much expected as the strategies of the company needs the five key components necessary to support implementation: people, resources, structure, systems, and culture. All components must be in place in order to move from creating the plan to activating the plan. And it is the role of the top management to make sure all the resources needed to implement strategies.

The next statement tried to identify if there exists adequate motivation and support to employees during strategy implementation. Accordingly, the respondents showed their agreement with mean score of 3.56. Thus, it is possible to say that AWASH WINE is on a good track in letting its employees take part and become motivated in implementation of company's strategies. Prior researches in this area has found that involving employees in decision-making has many advantages: better quality of decisions, better understanding of the strategy, better organizational learning, higher commitment to the strategy and organization, higher job satisfaction, less resistance to change and better adaptability.

The result from the survey shows that respondents are not sure if the company has appropriate organizational structure and reporting relationship between departments, sections and employees and this was justified by the mean score of 3.37 which is well in the range of neutral agreement level. It is obvious that a company's strategy can cause the structure to change or shift. As a business creates specific goals, marketing strategies and market analysis, it may need to change its structure. In this regard, for a large company such as AWASH WINE having appropriate organizational structure in place is hugely important in implementing its strategies effectively and the result from the survey suggests that the company is in contrary to this scenario.

Taking a look at the rest of statements under strategic implementation in the table above such as the leading role of top management in initiating and implementing change management, capability of human resource department of implementing company's business strategies, and provision of adequate information communication technologies facilities to save time and cost of the workflow by the company registered a mean score of 2.45, 2.67, and 2.47 respectively. These results show that respondents are doubtful over these points as if they are being implemented effectively by the company in its effort of executing the strategies developed.

4.3.1.4. Descriptive statistics for strategy evaluation

Table 4.10 I Descriptive analysis for Strategy Evaluation

Strategy Evaluation		
	Mean	Std. Deviation
Top management communicates performance evaluation results to all employees	2.69	.90

Awash Wine has developed a set of key business performance indicators to track the success of strategic objectives.	2.78	1.12
Top management succeeded in identifying corrective action when strategic objectives are not achieved	2.55	.98
Attention is paid to correcting, cancelling or developing new strategies subsequent to evaluation of the initial strategies by the middle and top level Management	2.78	1.01
Average	2.70	1.00

Source: Own Survey result, 2022

The lowest grand mean score is registered for strategy evaluation and control of the company under study. The mean value of 2.70 is an indication of how bad the strategy evaluation and control practice is in view of managerial staff of the company. It is obvious that weak strategy evaluation and control has a major impact on strategy implementation of the company. Many strategy implementations fail because of a lack of monitoring and control. Often an effective planning and control system is missing. Without timely and accurate management information it is impossible to assess the progress of the strategy implementation effort. The result from this study also found to be in line with this concept as the strategy implementation practice of the company found to be dissatisfactory.

As we can see from the table above, all the statements under strategic evaluation taken as doubtful in view of respondents since the entire mean score land in the neutral agreement level. Communication of the top management performance evaluation results to all employees, development of a set of key business performance indicators to track the success of strategic objectives, success of the top management in identifying corrective action when strategic objectives are not achieved, and attention towards corrections registered a mean score of 2.69, 2.78, 2.55, and 2.78 respectively. Taking the results from above strategic management processes, the company seem to fall behind in its execution of strategy evaluation and control. Without timely and accurate management information it is impossible to assess the progress of the strategy implementation effort. AWASH WINE S.C. needs to work hard on improvement of strategic evaluation and control as it is a guide to a business toward its long-term goal by controlling its strategic direction. Authors define Strategic control as the process tracks a strategy during its implementation period and detects changes or problems that may affect the outcome. In this regard,

AWASH WINE found to have problems in tracking implementation of its strategies, the changes to be made and wrongs to be corrected in the aim of achieving effective implementation of company strategies. The average mean score 2.7 also an indication that the company’s strategy evaluation ineffectiveness.

4.3.2. Challenges of Strategic Management

4.3.2.1. Challenges related to environmental scanning

Table 4.11 1 Environmental Scanning related challenges

Environmental Scanning related challenges		
	Mean	Std. Deviation
There is lack of proper knowledge and skills	4.07	.83
There is absence of well consolidated data	4.03	.88
Average	4.05	0.85

Source: Own Survey result, 2022

Environmental scanning related challenges found to be worrying challenges of the managerial staff of awash wine as the grand mean 4.05 is registered for the variable. As mentioned earlier environmental scanning immensely beneficial to any business organization as it is a strategic tool used to identify and assess all external and internal elements in a business environment. It examines organizational and industry factors that can positively or negatively affect the business. This means that business companies such as awash wine need to employ proper knowledge, skills, and tools to collect organized, up to date, and realistic data and integrate these data with the strategic planning of the company.

The researcher wanted to know the challenges related to environmental scanning and the response from participants shows that there is high level of lack of knowledge and skills and among employees of the company in implementation of environmental scanning as part of strategic management process which is justified by the mean value of 4.07 to show their agreement. Considering the importance of environmental analysis in understanding and decision making in all situation of the business AWASH WINE employees lacking the knowledge and skills to do so is puts a shadow in the success of the company that hugely depends upon the precise decision making ability of its employees. The study findings shows that the company needs to work a lot in enabling its employees to acquire those skills for much better success in the industry.

The respondents also mentioned that absence of well consolidated data could be taken as challenge equally likely with lack of proper knowledge and skills in the company with the mean score of 4.03. This result indicates that the company is running the business in the absence of well-organized data about its competitors, effect of its operations on the environment, the culture of the environment in which the company is operating and etc. Overall, it provides information on factors that will affect the organization in the future. The information gathered will allow leadership to proactively respond to external impacts. The study identified that the company has challenges in its environmental scanning and adequate training should be given to employees to gather useful information and organize those information so that effective decisions which may benefit the company could be made.

4.3.2.2. *Challenges related to strategy formulation*

Table 4.12 1 Strategy formulation related challenges

Strategy Formulation related challenges		
	Mean	Std. Deviation
There is lack of proper knowledge and skills	3.58	.83
The strategy being incompatible with Awash Wine's situation	3.78	1.13
Average	3.68	0.98

Source: Own Survey result, 2022

Formulating a strategic goal could be difficult as there are multiple factors like location, culture, organizational objectives, resources, and skillset that have to be considered. It seems that awash wine is also struggling with those factors as per the response from the managerial staff of the company justified by the grand mean value of 3.68. When addressing issues related to strategic formulation, the company needs proactive in positioning itself for the future, rather than simply reacting to current problems.

In the previous discussion about the company's strategy evaluation practice the study find out that the company has a weak strategy evaluation practice and in this section the study tried to find out the challenges which led for weak evaluation practices and the results from this survey indicates that both lack of proper knowledge and skills and incompatibility of the strategy of the company with the situations on the ground were the major challenges for having weak strategy evaluation in the company and this is justified by the mean value of 3.58 and 3.78 respectively. In this regard,

the company should be involved heavenly in upgrading the knowledge and skills of its employees and making suitable changes and updates of its strategies so as to meet to the current situation on the ground.

4.3.2.3. Challenges related to strategy implementation

Table 4.13 1 Strategy Implementation related challenges

Strategy Implementation related challenges		
	Mean	Std. Deviation
There is lack of acceptance by and support from the top management	3.59	.78
There are shortage of resources	2.39	1.00
There is inappropriate organizational structure	2.47	.89
There is poor communication strategy	3.68	1.16
There is lack of proper knowledge and skills	3.97	.83
Political turbulences	2.22	1.17
Key personnel leaving the organization	4.10	.78
Overall goals weren't well understood by employees	4.01	.83
There is poor coordination	3.87	1.17
Unawareness or misunderstanding of the strategy	3.80	.90
People aren't rewarded for achieving the strategic plan	3.93	.93
Uncontrollable environmental factors since the strategy is formulated based on assumptions	3.27	.87
Average	3.44	1.01

Source: Own Survey result, 2022

Various researchers consider strategy implementation as the most challenging strategic management process as it is the discipline of designing a robust strategy and establishing a continuous and predictable process to manage implementation over the long-term requires commitment and patient persistence from leadership to employees. The result from this study also shows that strategy implementation is indeed a challenge in AWASH WINE with the grand mean value of 3.44.

As we can see from the table above, the researcher considered various challenges which may alter implementation of AWASH WINE and the result from the study shows that key personnel leaving the organization, misunderstanding of overall goals by employees, lack of proper knowledge and skills, lack of motivation for those which achieved the strategic plan have been found to be the major challenges in the company in view of the respondents with respective mean values of 4.10, 4.01, 3.97, and 3.93. Additionally, the study identified that poor coordination, misunderstanding of the strategy, poor communication strategy, and lack of acceptance by and support from the top management are also other challenges affecting the implementation of the company's strategy in effective manner. Taking from the results of the study, one simply can understand that there is no effective framework in the company which allows participation of all parties involved in the responsible manner and most importantly, absence of effective evaluation and control of implementation of strategies developed by the Company and taking corrective actions whenever and wherever needed. On the contrary, scarce of resources, inappropriate organizational structure, political turbulences, and Uncontrollable environmental factors are identified for not being the challenges of implementing the strategies of the company in view of the participants.

4.3.2.4. Challenges related to strategy evaluation

Table 4.14 1 Strategy Monitoring and Evaluation related challenges

Strategy Monitoring and Evaluation related challenges		
	Mean	Std. Deviation
There is absence of effective monitoring	4.13	.78
There is lack of proper knowledge and skills	3.96	.86
There is lack of timely feedback	4.10	.86
There is false report on progress	3.93	.93
Average	4.03	0.86

Source: Own Survey result, 2022

The grand mean value of 4.03 is a justification that monitoring and evaluation is one of those major challenges the company is facing. There is no doubt that establishing a strategic control process as a part of management, companies can rethink strategies and take immediate actions in case of undesired or unintended outcomes. Like other challenges addressed, maintaining objectivity in assessing and measuring the results of strategic plans is a major challenge. Although strategists

use evaluation tools such as financial statements, questionnaires and interviews, some concepts such as manager opinions or contributions are difficult to measure. AWASH WINE should understand the necessity of this step as it is difficult to identify whether the strategy implemented is generating the desired effect.

All the items mentioned in the study under monitoring and evaluation found to hugely challenging the company in their effort to implement the strategy of the company. The grand mean value of 4.03 is a justification that monitoring and evaluation is one of those major challenges the company is facing.

4.3.3. Grand mean of Challenges of Strategic Management

The study compared the grand mean of all the challenges of strategic management practices of AWASH WINE to find the major challenge that the company facing in implementation its strategies.

Table 4.15 1 Grand mean of Challenges of Strategic Management

Grand mean of Challenges of Strategic Management		
Challenges	Mean	Std. Deviation
Environmental Scanning related challenges	4.05	0.85
Strategy Evaluation related challenges	3.68	0.98
Strategy Implementation related challenges	3.44	1.01
Strategy Monitoring and Evaluation related challenges	4.03	0.86

Source: Own Survey result, 2022

According to the table above, environmental scanning related challenges found to be the major challenge in the company and strategy monitoring and evaluation related challenges also found to be mentioned as next major challenge in the company.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

5.1. Summary of Findings

The study aimed at assessing the practices and challenges of strategic management process in AWASH WINE S.C. in doing so, the study makes use of descriptive study type and allowing all target participants to take part in the study. The study used questionnaire as the primary source of data. The study also employed reliability test consistency and dependability of the instrument and accordingly the Cronbach's Alpha was run and overall α value of .810 was found. So, it is possible to say that the data which was used for this study is reliable. The major findings of the study are summarized as follows;

Strategic formulation of the company was descriptively assessed and the study result shows that the company came up for articulation of vision and mission statements registering full agreement of employee participants. Additionally, the study identified presence of defined a set of values in the company that govern its employees. Compatibility of vision, mission, and value statements with company current activities being carried out also earned employee's approval for its effectiveness in the company. Participants chose to stay neutral on establishment of long term SMART objectives that is easy to understand for all employees. On the contrary, regular updating of vision statements and consideration of Business Ethics and corporate social responsibility while formulating strategies earned disagreement from employee participants of the study.

Regarding environment scanning, employee participants were convinced that company, conducts a SWOT and PESTEL analysis that will give opportunities to identify their distinctive competencies. The study also found out that top management of the company is doing well

analyses and understanding of today's dynamic and competitive environment and the company's internal operation.

The study also assessed strategy implementation practice of the company and the findings show that the company is in a good track in devising development and communication of a policy to its employees in support of strategy execution. Additionally, the study identified that the top management company is committed to provision of all the necessary resources to implement strategies of the company and also there exists adequate motivation and support to employees during strategy implementation. Regarding strategy implementation, the company's organizational structure found to be non-convincing according to the participants of the study. Other practices of strategy implementation in the company such as the leading role of top management in initiating and implementing change management, capability of human resource department of implementing company's business strategies, and provision of adequate information communication technologies facilities to save time and cost of the workflow by the company taken as weaknesses that the company need to work in the future.

Strategy evaluation was the last content that the study tried to assess regarding strategic management process of the company and the study identified that strategy monitoring and evaluation is the part of strategic management process where the company heavily weakened and registered relatively low mean values rather than other strategic management processes assessed in the study. Taking from the results of the study AWASH WINE S.C. is expected to make major improvements in its strategy monitoring and evaluation practices of the company.

The study tried to identify the challenges involved in environmental scanning practice of the company and the results from the study suggests that high level of lack of knowledge and skills and absence of well consolidated data found to have almost equal effect on effectiveness of environmental scanning practice as part of the company's strategic management process.

The study also assessed the challenges that led to weakness of the strategy formulation practice of the company and taking from the response of study participants, both lack of proper knowledge and skills and incompatibility of the strategy of the company with the situations on the ground found to be the major challenges.

Strategic implementation related challenges were descriptively analysed and key personnel leaving the organization, misunderstanding of overall goals by employees, lack of proper knowledge and skills, lack of motivation for those which achieved the strategic plan mentioned as the major ones in the study registering higher mean values than the rest of the items. Other challenges such as poor coordination, misunderstanding of the strategy, poor communication strategy, and lack of acceptance by and support from the top management was also worth mentioning according to the participants of the study. The study also identified that scarce of resources, inappropriate organizational structure, political turbulences, and uncontrollable environmental factors were not considered as challenges in the strategic implementation of the company.

Finally, challenges associated with strategy monitoring and evaluation studied and all items mentioned in the study found to be challenging for the company to run its strategy monitoring and evaluation.

5.2. Conclusion

The study assessed the strategic management practice of AWASH WINE S.C. In doing so, the study employed the three major stages of Wheelen and Hunger (2003) model making few amendments. Accordingly, descriptive study was employed to assess the practice strategic management and as a result, only strategy formulation of the company found to be the strategic management process that is wellbeing practice by the company. On the contrary, strategy implementation and strategy monitoring and evaluation practice of the company identified to be poor in this study. The study also assessed how environmental scanning is being undertaken in the company and it is fair to say that environmental scanning practice of the company is good relative to other strategic management practices of the company. This is an indication that the company given more emphasis for strategy formulation rather than strategy implementation and evaluation. Finally, the study tried the major challenges that affect strategy formulation, implementation and evaluation at Awash Wine S.C. and lack of proper knowledge and skills and incompatibility of the strategy of the company with the situations were challenges of strategy formulation in the company. Challenges such as key personnel leaving the organization, misunderstanding of overall goals by employees, lack of proper knowledge and skills, lack of motivation for those which achieved the strategic plan identified major challenges associated with strategic implementation. Finally, challenges associated with strategy monitoring and evaluation were absence of effective

monitoring, lack of timely feedback, lack of proper knowledge and skills, and false reports on progress.

5.3. Recommendations

- This study identified that weaknesses and challenges associated with each strategic management process in the company are directly associated with lack of coordination. In this regard the recommends that there is a need for the Awash Wine S.C. to employ the full cycle of the strategic management process in a balanced manner. Specifically, the top management of the company needs to give due attention on strategy implementation by giving due consideration of human resource capability top management support.
- It is expected from the human resource department of the company to give emphasis on performance measurement, communicating assessment results and finally timely responsiveness to the failing strategic initiatives so that the strategic management process keeps its coherence, coordination of actions, policies and resources so as to accomplish an important end.
- One of the major weaknesses of the company identified in this study was strategy monitoring and evaluation and this study also highly recommends the company to adopt the concept of “Strategic Audit” that was presented by (Wheelen and Hunger, 2017). The strategic audit is one effective means of putting the strategic decision making process that provides a check list of questions by area or issue by enabling systematic analysis to be made from various corporate functions and activities. Additionally, it provides a way to identify problematic areas of the corporation and generate solutions towards these problems. As such, it can be very useful in evaluating the performance of top management. Additionally, top management of the company could exercise Strategy evaluation and control through formulation of contingency strategies and a crisis management team.
- It is obvious that employee engagement in strategy formulation highly encouraging and empowering for employees as it creates the sense of ownership towards the strategy and further enhance their capabilities. Awash wine S.C. despite having good practice strategy formulation the top management of the company still needs to make sure that almost all employees have a say in the process.

- Awash wine S.C. should review its vision and mission statement in a way it could reflect at least some of its products or services it renders, current status of the company and its future as well and also its basic stakeholders.
- Awash Wine S.C. should consider the three E's of business ethics; engagement, clarity of expectations, explanation and the triple bottom lines of corporate social responsibility; people, planet and profit while formulating strategy.

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APPENDIX I: QUESTIONNAIRE

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MASTER OF BUSINESS ADMINISTRATION PROGRAM

Dear Respondents,

I am a graduate student at St. Mary’s University school of graduate studies, currently conducting a research for the completion of my Master of Art Degree in Business Administration. The purpose of this questionnaire is to collect data used for the assessment of the overall Strategic Management practice and challenges of Awash Wine Share Company. I want to assure you that the information you provide will be solely used for academic purpose. Your response is highly confidential. The completion of the research substantially depends on your cooperation and of the information you give in this questionnaire. Therefore, I kindly request you to spare 15minutes from your precious time to respond to each question carefully and oblige. Finally, I would like to express my earnest appreciation for your generous time, honest and prompt responses.

General Information

- There is no need of writing your name.
- Please select the right answer you think and put “√” mark in the boxes.
- For questions that require your further opinion, please respond clearly and faithfully.

Name: **Rahimet Mohammed**

Telephone: **0961241557**

Email: ramimame7@gmail.com and outlook address :rahimet@awashwine.com

Thank you in advance for your Support!

PART I – DEMOGRAPHIC INFORMATION

Please provide some information about yourself:

1. Age

25 – 35 years 46-55

36 – 45 years 56 and above

2. Gender

Male Female

3. Your highest level of formal education?

BA/BSc/BLL degree Master’s Degree PhD

4. How long have you been working in your current position?

1 – 4 years 11 – 15years 5 – 10 years 16 years & above

5. Your current job levels?

Director Head of Department Unit Manager

other, please state _____

PART II – INFORMATION RELATED TO STRATEGIC MANAGEMENT PRACTICES AT AWASH WINE S.C

This section includes questions aimed to gauge the status of strategic management practices at Awash Wine S.C. Please indicate the extent to which you agree with the following statements on five points Likert scale (1= strongly disagree, 5=strongly agree) by ticking on the box you select.

Statement	Strongly Agree	Agree	Moderately Agree	Disagree	Strongly Disagree
Strategy Formulation					
Vision Statement					
The company articulated a vision statement for the organization					
Top management updates vision statement regularly					
The company articulates a mission statement					
The company has defined a set of values that govern its employees.					
The vision, mission and value statements are compatible with the company current activities being carried out					

Vision, mission and value statements are shared among employees					
The company has established long term SMART objectives that are easy to understand for all employees					
The company consider Business Ethics and corporate social responsibility while formulating strategies					
Environmental scanning					
The company has conducts SWOT and PESTEL analysis while developing business strategies.					
Top management analyses and learns today's dynamic and competitive environment and the company's internal operation					

Statement	Strongly Agree	Agree	Moderately Agree	Disagree	Strongly Disagree
Strategy Implementation					
The company developed and communicated a policy manual to its employees to support strategy execution.					
Top management provides all the necessary resources to implement strategies of the company.					
There are adequate motivation and support to employees during strategy implementation.					
The company has appropriate organizational structure and reporting relationship between departments, sections and employees.					
The company has appropriate organizational structure and reporting relationship between departments, sections and employees.					

Top management takes the leading role in initiating and implementing change management					
The human resource departments capable of implementing company's business strategies					
The company provides adequate information communication technologies facilities to save time and cost of the workflow					
Employees are rewarded when achieve strategic plan					
Statement	Strongly Agree	Agree	Moderately Agree	Disagree	Strongly Disagree
Strategy Evaluation					
Top management communicates performance evaluation results to all employees					
Awash Wine has developed a set of key business performance indicators to track the success of strategic objectives.					
Top management succeeded in identifying corrective action when strategic objectives are not achieved					
Attention is paid to correcting, cancelling or developing new strategies subsequent to evaluation of the initial strategies by the middle and top level Management					

5.3.1.

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Challenges					
5.Environmental Scanning					
There is lack of proper knowledge and skills					

There is absence of well consolidated data					
6.Strategy Formulation					
There is lack of proper knowledge and skills					
The strategy being incompatible with Awash Wine's situation					
7.Strategy Implementation					
There is lack of acceptance by and support from the top management					
There are shortage of resources					
There is inappropriate organizational structure					
There is poor communication strategy					
There is lack of proper knowledge and skills					
Political turbulences					
Key personnel leaving the organization					
Overall goals weren't well understood by employees					
There is poor coordination					
Unawareness or misunderstanding of the strategy					
People aren't rewarded for achieving the strategic plan					
Uncontrollable environmental factors since the strategy is formulated based on assumptions					
8.Strategy Monitoring and Evaluation					
There is absence of effective monitoring					
There is lack of proper knowledge and skills					
There is lack of timely feedback					
There is false report on progress					